THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) The investments of the co-operative banks are regulated by the RBI's circulars issued from time to time. As per the extant circular of RBI, keeping in view the various regulatory/statutory and the bank's own internal requirements, co-operative banks are required to lay down, with the approval of their Board of Directors, the broad Investment Policy and objectives to be achieved while undertaking investment transactions.

The bank's investment policy is required to clearly define the authority to put through deals, procedure to be followed for obtaining sanction of the appropriate authority, fixing various prudential exposure limits, and reporting system. All the transactions should be clearly recorded indicating full details. The top management should undertake a periodic review of investment transactions in a critical manner and put up large transactions to the Board, for information.

The inter-bank Government securities transactions should be undertaken directly between banks and no bank should engage the services of any broker in such transactions. Banks may, however, undertake Government securities transactions among themselves or with non-bank clients through members of the National Stock Exchange (NSE), the Stock Exchange, Mumbai (BSE)/OTC Exchange of India wherein the transactions are transparent. In case any transactions in Government securities are not undertaken on NSE, OTC Exchange of India or the Stock Exchange, Mumbai (BSE), the same should be undertaken by the banks directly without the use of brokers.

If a deal is put through with the help of a broker, the role of the broker should be restricted to that of bringing the two parties to the deal together. The brokers should not be involved in the settlement process at all, *i.e.*, both the fund settlement and delivery of security should be done with the counterparty directly.

(c) RBI has no specific information in the matter.

(d) and (e) In view of the (c) above, does not arise.

Import of SKO

*171. SHRI KESHUBHAI S. PATEL: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Government has changed the EXIM Policy of import of Superior Kerosene Oil (SKO) by parallel markets;

(b) if so, whether Government is aware that due to change of policy, the needy bulk customers and other customers are facing difficulty in getting free sale SKO while it is easily available in the open market;

(c) if so, whether there is any proposal for separate marketing channel of parallel marketers in the State of Gujarat; and

(d) if so, the status of the proposal?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): (a) and (b) Parallel Marketing System (PMS) for kerosene had been introduced *vide* Notification dated 2.9.1993 allowing the private agencies to import and market kerosene, at market prices in the country. Subsequently, on the recommendation of this Ministry, Department of

Commerce *vide* their Notification dated 25.11.2003 has allowed, Superior Kerosene Oil (SKO) to be imported by State Trading Enterprises. Import is subject to para 2.11 of Foreign Trade Policy and is allowed through State Trading Enterprises (STEs) i.e. IOC, BPCL, HPCL and IBP. STC has also been nominated as a State Trading Enterprise (STE), for supplying to Advance Licence holders. The SKO Control Order 1993 has now been amended on 06.7.2006 allowing Parallel Marketeers to source their requirement from indigenous sources also.

IOCL, BPCL & HPCL are marketing non-PDS kerosene in the open market. As per the existing system of marketing of non-PDS kerosene followed by Public Sector Oil Marketing Companies (OMCs), the genuine industrial and non-domestic customers having requirement of more than 1 tank lorry load at a time, are being supplied directly and the requirement of small customers having requirement of less than full tank lorry load is being met through existing SKO-LDO Dealership network at the non-subsidized rate. Under the provisions of Kerosene (Restriction on Use and Fixation of Ceiling Price) Order 1993, Government has permitted Oil and Natural Gas Corporation (ONGC), Mangalore refinery and Petrochemical Limited (MRPL) and Reliance Industries Ltd. (RIL) to market their indigenously produced kerosene, after meeting the demand of PDS kerosene in full, to non-PDS customers. Oil Companies can make free sale of kerosene at market prices as per requirement. There is no report of any bulk customers/customers facing any difficulty in getting non-PDS SKO.

(c) and (d) There is no proposal for setting up of a separate marketing channel for the State of Gujarat.

Shifting of "Indira Gandhi Flying Academy"

†*172. SHRI MOTILAL VORA:
SHRI SATYAVRAT CHATURVEDI:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that 'Indira Gandhi Flying Academy' was set up at Fursatganj, Rai Bareilly by the former Prime Minister Shri Rajiv Gandhi;

(b) whether it is also a fact that this Flying Academy has been shifted from Fursatganj to Gondia (Maharashtra); and

(c) if so, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) Indira Gandhi Rashtriya Uran Akademi (IGRUA) was established in 1985 by the Ministry of Civil Aviation at Fursatganj, Rae Bareilly is a registered society when Shri Rajiv Gandhi was the Prime Minister. It continues to be fully functional.

(b) No, Sir. In fact the infrastructure facilities at IGRUA such as re-carpeting of runway, construction of additional hangar, extension of apron, construction of additional hostels etc. are being upgraded at a cost of Rs. 21.82 crore. Six new aircrafts were added to the fleet of IGRUA during the year 2005-06 at a cost of Rs. 6.17 crore. In order to introduce world-class training standards, a management contract has been entered into with M/s. CAE with the objective of enhancing the training capacity from 40 to 100 cadets per year. Further, an amount of Rs. 43.10 crore is earmarked for procurement of new aircraft in 2006-07 and 2007-08.

(c) Does not arise.

†Original notice of the question was received in Hindi.